



The Real Estate ANALYST

OCTOBER 28
1941

Roy Wenzlick
Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values....Current Studies.... Surveys....Forecasts

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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

VOLUME X

WE CROW

AN executive has been defined as a man who decides things quickly and sometimes guesses right. While something can be said for rapid decisions on the firing line of actual production, very little can be said in their favor in policy determination. It seems to us that the wise man today is the man who studies carefully the various aspects of each problem, then slowly plots his course. He believes that the direction of his movement is more important than is its hysterical rapidity.

It is difficult, however, for the man in business to find time to accumulate all of the facts that are significant. He hasn't time to read, much less study the laws, reports and factors that are determining world events and the trends his business must follow to be successful. This has become a specialized job.

Real Estate Analysts, Inc., has endeavored to do this job for those interested in real estate and construction; in addition to giving its clients the charted behavior of all real estate indexes upon which they can base their own judgments, it has attempted to interpret these charts with definite forecasts of its own. For the benefit of those who place some reliance on its opinions it periodically reviews its predictions to test the forecast by the events that followed.

With a smile, half whimsical, half serious, we have called this our "crowing issue." There is so much bunkum in all forecasting that we thought a little humor would not be out of place. Euripedes, the great Greek dramatist, once wrote, "The best prophet is the best guesser." There is lots of truth in that statement -- more than those who are unduly impressed by differential formulas of calculus, or those who believe that the reliability of a chart depends on the number of colors in which it is printed, are apt to realize. The measured facts are merely the basis for judgment. Judgment, or educated guessing as it might be called, starts where the facts leave off.

The forecasts of Real Estate Analysts, Inc., fortunately have been rather accurate guesses and we are reproducing some of them here in our annual accounting to our subscribers. We wish that space and reading time permitted the reprinting of some of the reports in full. The Real Estate Analyst of September 26, 1939, forecast the effect on real estate of the World War which had just started. If you have it in your file, reread at least the summary on page 218.

It is possible, however, that we have been slightly influenced in the preparation of this issue by the statement credited to Mark Twain, "He that tooteth not his own horn, verily his horn shall not be tooted."



This house was built in St. Louis in 1914, just before the World War started.

It cost \$4,254 to build.

Six years later to build the same house cost \$8,006.

This house can be built today for \$6,420.

If costs increase because of the present war as they did before, by 1945 it will cost \$12,100 to build this house.

It was primarily this increase in cost which caused the rapid increase in real estate values in the twenties.

If you are going to build, it will cost you money to wait.

The labor cost of building a home is less today than it was in the twenties, and in my opinion it is considerably less than it will be in the forties. It should be kept in mind that there are many things...

SHOULD WE BUILD OUR HOME NOW?



cost of home ownership today will probably have little interest for you. I am not a psychologist, and you must...

If you have decided that sooner or later you will own a home of your own, it is my opinion that you will cost you money to wait. I thought this before the war started in Europe, but now I am doubly sure of it. My reasons for advising immediate building can be summarized as follows:

1. Building materials will advance in price.
2. The cost of building labor will increase and its efficiency will decrease.
3. Building sites can be purchased now at lower prices than will prevail in the future.
4. The cost of financing a home and interest rates, after dropping since 1929, will now probably advance again.
5. The cost of not building, that is, of continuing to rent, will increase.

Building materials cost less today than they did in the twenties, and much less, I think, than they will in the forties. The five are shown some of the principal building materials that go into a house, with a comparison of their cost today, and their cost in 1926. Today, 90¢ will buy on the average as much building material as \$1.00 would have bought in 1926, or as much as \$1.40 would have bought in...

\$41.84 per month present low interest...

I have gone over my figures very carefully, and because of the combination of low interest rates and construction costs, I can say definitely that a house can be built today to sell for a smaller payment per month than has been possible at any time during the past twenty years. That this cost will go lower, I consider improbable. That it will remain at this level for any length of time, I think extremely doubtful. That it will probably rise by a considerable amount in the relatively near future, I believe a distinct probability.

The cost of not building or buying a home in the future will increase considerably in the period ahead. By this I mean, that residential rents will advance, while the monthly payment of the person who builds now will remain constant. Why will rents increase? In my opinion, the increase in building costs will slow down residential building; and as building slows down and industrial activity increases due to the European war, the demand for housing accommodations will exceed the supply. Rents have already increased 10% since 1935, according to the Bureau of Labor Statistics at Washington. As a result of the last World War, the average of residential rents for thirty...

My personal opinion is that the present World War will necessarily bring on a world-wide inflation. All of the European governments involved were heavily in debt at the time the war started. The prosecution of the war will increase tremendously this indebtedness. It will reach such heights that it can be paid only by reducing the value of money. The degree of inflation in Europe will pull the United States in the same direction. In a period of inflation, it is quite difficult to safeguard one's principal. I know of no better hedge against inflation than an equity in a single family residence in which the family lives itself. Past experience has indicated that the great body of home owners has too much political influence to be ignored. During the past depression a tremendous amount of legislation was passed to protect the home owner and his investment. Regardless of what restrictive legislation might be passed during a period of great inflation, I believe that the home owner would be in a favored position.

I hope I have answered your questions completely.

Sincerely,

ROY WENZLICK.

— 12 —

By John Normile,

"The next six months offer you savings that probably won't exist again for years . . . cost of materials will probably rise . . . labor costs will climb, labor efficiency drop . . . building lots will cost more."

And It All Came True

So much for the year past. It's well into 1941 now and the finish of an eventful year's ahead of us. What heights it may reach no one knows. But that it's the best year yet for predictions Roy Wenzlick is sure.

It's Not Too Late to Save

So again Roy Wenzlick tells you, "Build, buy, remodel now—prices are going up!" Behind his advice are these pertinent facts: All American industry is going ahead during 1941 at nearly peak capacity. Government and British defense con-

The predictions that Roy Wenzlick, nationally known business prognosticator, has been making for the past several years seems to be coming to life practically on schedule. Mr. Wenzlick has long stated that he anticipated a peak in building activity some time during the early 1940's. He made this statement at the 1939 meeting of the Ohio Savings and Loan League, and at a number of other speaking engagements before realtors and building and loan groups throughout the country.

Mr. Wehring has been a fairly consistent

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SHIPPING FROM
 SAN FRANCISCO, CALIF. NEW
 CIRC. D. 102,693
 SEP 13 1941
 HOME COSTS UP 17 PER CENT,
 RECALL PRICES IN LAST WAR
 BY JOHN G. BAXLEY
 The News Real Estate Editor
 ... the noted real estate analyst,
 ... conditions on soaring
 ... Real Estate ...

RECALL PRICES IN

BY JOHN G. BAYLEY
The News Real Estate Editor

Less than a year ago the noted real estate analyst, Roy Wenzlick, quoted long-range predictions on soaring home costs before members of the San Francisco Real Estate Board and allied groups. At that time some of our best building minds were skeptical. "This time it will be different" was a comment when one of Mr. Wenzlick's predictions, that home prices would double in the

Since February 1, Wenzlick, the the Real Estate

Since February 1928, Roy Wenzlick, the editor of the Real Estate Analyst, has been writing and speaking on real estate and construction. In each of these articles and talks he forecast the probable developments during the next few years. We have scrapbooks containing the equivalent of hundreds of newspaper pages of quotations from all parts of the U. S. These in addition to the regular reports of Real Estate Analysts, Inc., make it possible to apply the acid test to his predictions.

tracts have sweated the Works. But from the total let so far and your was presented. man-hours. That is, the trend of building entire industrial costs today, Mr. plan to add that amount in Wenzlick's pre-lar production! Cautious prediction looks not "We can," says only reasonable cause we have to. But but possibly in derestimated

cause we have to. But freight lines, thus raising material delivery costs, to work longer than the week, so overtime pay labor prices. Lumber will again along with other building materials. And, before 1, when present cantonment ing will probably be complete may decide we need a larger That means more cantonments, chance to get labor and material for private building.

"In view of all that, our house is going to cost *much more* 1944 or '45, or at least you'll be getting *less house* for the same money spent.

"My advice," Roy Wenzlick repeats, "if you want to save, is to buy your new home, remodel your old one, or build *now* as soon as you can get started. Soon, with every month that passes, building costs will be going up, up, up—to a peak higher than ever before!"

JOHN G. RAYLEY

So if you still haven't bought your darling home and decide that now's the time, you'll find that its duplicate will cost you anywhere from \$150,000 to \$7250, depending on what it's made of.

On the other hand, those who bought just a couple of years ago are today being offered prices for their homes that would pay handsome profit besides all the payments made to date on their mortgages.

Mr. Wenzlick's records show a 100 per cent increase in home values during the first five years of the decade, and history does some of it itself.

WE LOSE A FEW TAIL FEATHERS



ALL of the forecasts made in our reports have not come true. In some cases we think that it is merely a question of time until they do. In a few cases we were clearly mistaken in our analysis of the situation--not giving sufficient weight to factors that at the time did not seem important but that later proved to be of prime importance.

In our earlier reports we did not give enough weight to geographical differences. We thought that recovery of real estate would be more nearly uniform in different cities than it has been although we emphasized in these same reports that some cities would lag others and that even in the same city various sections would progress at far different rates. We did not believe, for instance, that the high real estate taxes of New York and Massachusetts would prove as insuperable obstacles to real estate recovery as they have, although we have pointed out time and time again in our reports that these cities would show some lag in the general recovery.

In our forecasts for the year 1937, made in January of that year, we did not foresee the depression of 1937 and 1938 which started in the latter part of 1937. As soon as the stock market broke in September, however, we changed our forecasts. In October we disagreed with Major Angas when he advised going into the market and buying after the Federal Reserve released three hundred million in gold, as we said that we thought this would not halt the depression. In the same report we disagreed with W. J. Baxter who had just published "America Faces her Greatest Depression." We said that we thought that the depression would not last longer than the middle of the following year.

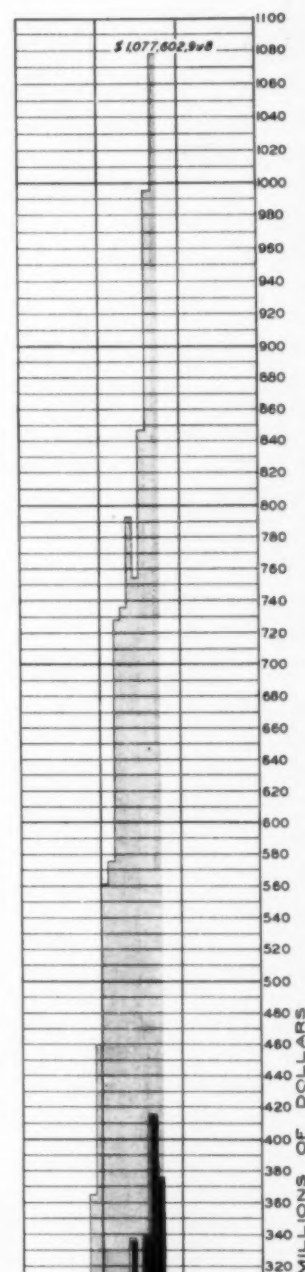
We thought that mortgage interest rates would firm and advance faster than they have. We still are convinced that the long term trend is up, but we now feel that the increase will be much slower than we formerly believed. The action of the FHA some time ago in announcing that it would not follow construction costs up was a stiffening in mortgage requirements, a substitute for a higher rate on the same percentage of loan. In our opinion, mortgage requirements will undergo further upward revision as costs continue to rise.

When the Federal Housing Administration was first organized in 1934, we did not believe that it would prove a very strong stimulant for new building and we were partially right, as its rapid growth did not take place until after the amendments of 1938.

We underestimated Hitler and up to the week before the present war started, we said that we thought that war would be avoided. However, as soon as the war did start, we said that we thought it would be a long war. We correctly forecast the effect of the war on business and real estate and construction--discounting from the first the administration's statements that we could carry on regular business in the U. S. during the rearmament period. We also stated positively in our reports that all efforts to prevent price rises would fail and that the United States would undergo a degree of inflation carrying the price level to at least twice the 1939 level.

THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

	1941											
	May		June		July		Aug.		Sept.			
	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.
National Index	\$8.64	\$11.88	\$8.71	\$11.88	\$8.78	\$11.90	\$8.86	\$11.96	\$8.94	\$12.01	\$8.98	\$12.06
Atlanta	8.15	11.30	8.25	11.30	8.32	11.30	8.44	11.44	8.49	11.43	8.49	11.53
Baltimore	8.09	10.70	8.25	10.76	8.46	10.91	8.61	11.00	8.86	11.18	8.91	11.30
Birmingham	6.76	10.02	6.79	10.01	6.80	10.01	6.97	10.03	7.15	10.03	7.35	10.02
Boston	8.53	14.49	8.52	14.45	8.65	14.61	8.73	14.69	8.86	14.91	8.98	14.96
Chicago	11.41	13.01	11.70	13.09	11.67	13.20	11.61	13.42	11.86	13.40	11.83	13.58
Cincinnati	10.11	13.10	10.40	12.98	10.42	12.99	10.48	13.00	10.60	13.01	10.59	13.10
Cleveland	10.04	13.09	10.25	13.15	10.36	13.29	10.46	13.42	10.53	13.52	10.64	13.61
Columbus	7.29	11.05	7.41	11.02	7.54	11.03	7.70	11.02	7.75	11.01	7.76	11.06
Denver	7.65	12.43	7.75	12.41	7.84	12.40	7.91	12.40	7.90	12.41	7.86	12.42
Detroit	9.66	12.01	9.80	12.10	9.96	12.19	9.73	12.32	10.10	12.58	10.02	12.62
Houston	7.87	10.30	7.88	10.23	7.91	10.20	7.97	10.19	8.02	10.19	8.04	10.19
Kansas City	6.25	7.13	6.39	7.12	6.46	7.19	6.51	7.23	6.53	7.35	6.48	7.48
Los Angeles	10.93	11.29	10.92	11.29	10.91	11.30	10.98	11.26	10.99	11.30	11.03	11.30
Milwaukee	9.05	10.87	9.05	10.86	9.09	10.89	9.20	10.88	9.25	10.98	9.41	11.13
Minneapolis	8.14	10.23	8.14	10.22	8.25	10.23	8.29	10.35	8.21	10.30	8.20	10.26
New Orleans	8.61	10.36	8.78	10.45	8.91	10.40	9.05	10.38	9.07	10.33	9.14	10.36
New York	12.40	18.99	12.42	19.08	12.40	19.16	12.60	19.35	12.70	19.39	12.77	19.39
Omaha	7.01	11.54	7.13	11.55	7.24	11.50	7.30	11.45	7.36	11.60	7.43	11.71
Philadelphia	7.16	14.02	7.36	14.18	7.38	14.26	7.46	14.25	7.50	14.30	7.58	14.25
Pittsburgh	9.31	12.28	9.28	12.33	9.28	12.36	9.31	12.58	9.30	12.69	9.40	12.69
Richmond	8.47	11.49	8.42	11.52	8.36	11.50	8.45	11.53	8.34	11.43	8.30	11.36
Saint Louis	8.38	10.90	8.48	10.92	8.60	10.89	8.91	11.00	9.03	11.03	9.09	11.10
Salt Lake City	7.83	10.80	7.84	10.78	7.91	10.70	8.07	10.80	8.10	10.70	8.19	10.69
San Francisco	9.86	13.01	9.89	13.00	9.91	12.98	9.95	12.98	9.90	12.91	9.90	12.90
Seattle	8.05	11.97	8.09	11.92	8.20	12.00	8.17	12.13	8.41	12.30	8.53	12.57
Tulsa	7.29		7.27		7.30		7.48		7.46		7.47	

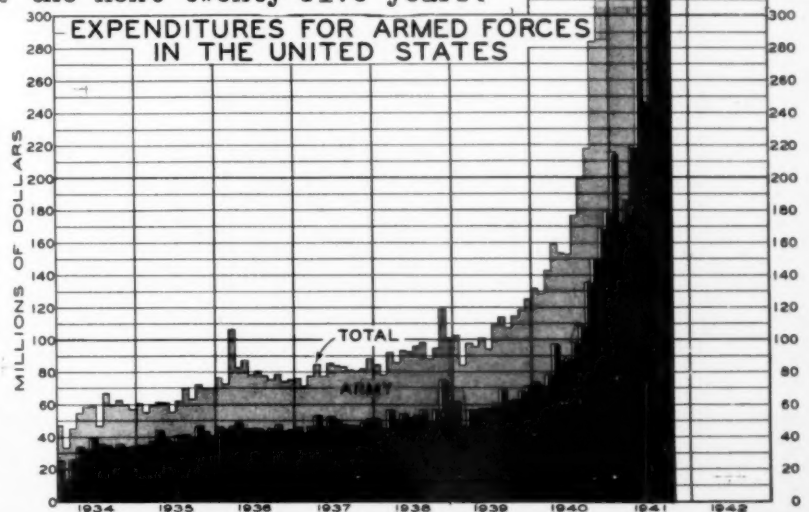


THE DEFENSE PICTURE

SEPTEMBER expenditures for defense exceeded a billion dollars. This is the first month in which this has been true, but most months of the next few years will surpass this level. We will be greatly surprised if, in 1942, two billion dollar months do not become rather common.

A national debt exceeding a hundred billion dollars is now a foregone conclusion. This means an inflated price level in the U. S. for at least the next twenty-five years. Were the government to allow the price level to drop materially during this time, the interest burden on this debt would become too heavy to carry. On the other hand, the greater the degree of inflation, the easier it will be to pay interest and principal payments when due.

The general price level will not return to the 1939 level for at least twenty-five years.



AS WE SAW THE REAL ESTATE SITUATION IN 1936

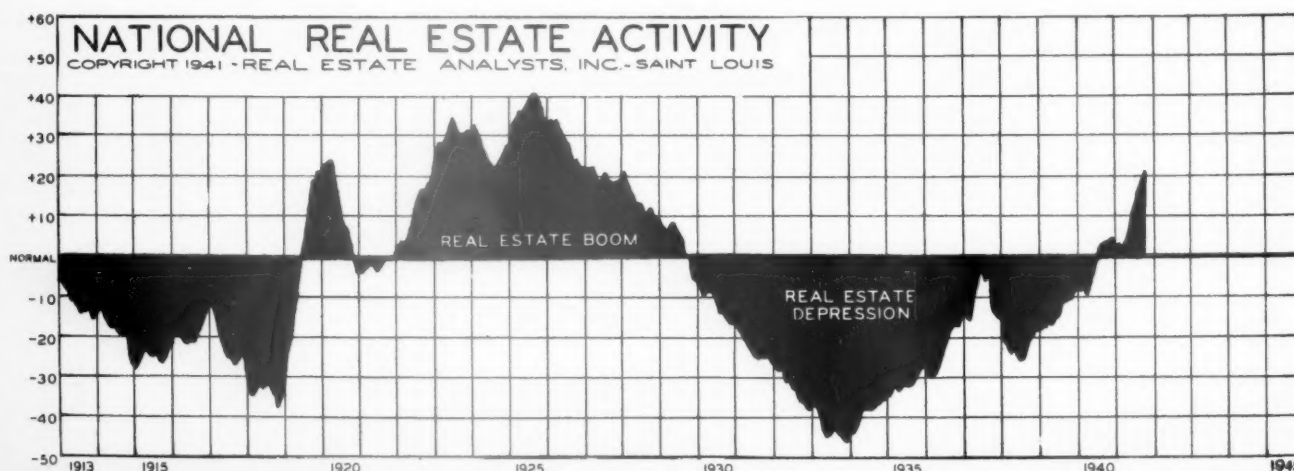
THE year 1936 was one of rapid improvement in general business and in real estate. Sales were slowly increasing, foreclosures were decreasing, rents had started to rise, office building vacancy was decreasing with a firming of commercial rents of all types, and it looked as if we were nearing the end of the great depression. The Coming Boom in Real Estate by Roy Wenzlick was published in May 1936. It sold 187,000 copies, was condensed by Reader's Digest and was reviewed by Time and other magazines and newspapers throughout the United States. The Shanghai Sunday Times in Shanghai, China, devoted three columns to it. The number of subscribers to the reports of Real Estate Analysts, Inc., more than tripled in a single year.

Under these conditions it would have been rather easy to see the boom developing the next year. But that is not what either the Coming Boom in Real Estate or the Real Estate Analysts' reports said. In the Coming Boom in Real Estate, on pages 9 and 10, Mr. Wenzlick indicated that the real boom would probably not get under way until the early forties and would not reach its height until 1943 or 1944. In December 1936 the Real Estate Analyst carried as the center spread of its report the spread reproduced to the right.

It will be noticed that then the real estate cycle was charted from 1795 to that time with the probable development of the cycle estimated through 1945. The reaction that came in general business and real estate in the latter part of 1937 was not anticipated on the chart until the last part of 1938. A second reaction was indicated on the chart before the beginning of the real boom, which was estimated to start at the middle of 1941.

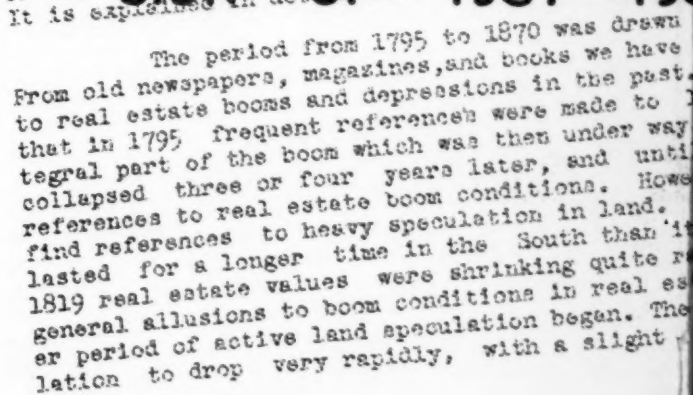
Only phenomenal luck could have succeeded in hitting all of the ups and downs in a forecast of this sort. The copy that appeared with the chart at that time said, "We are positive, however, of just one thing in regard to this future portion of the chart-- the actual charting will be different from the charting we have suggested." The significant fact is that the explosive stage was not anticipated until the middle of 1941 and that is when it started, as is shown by the chart below.

It is fortunate for us that the clouds obscuring the future as we gazed in our crystal globe parted for a long enough time for us to identify the month and the year correctly in which the real rise was to start.



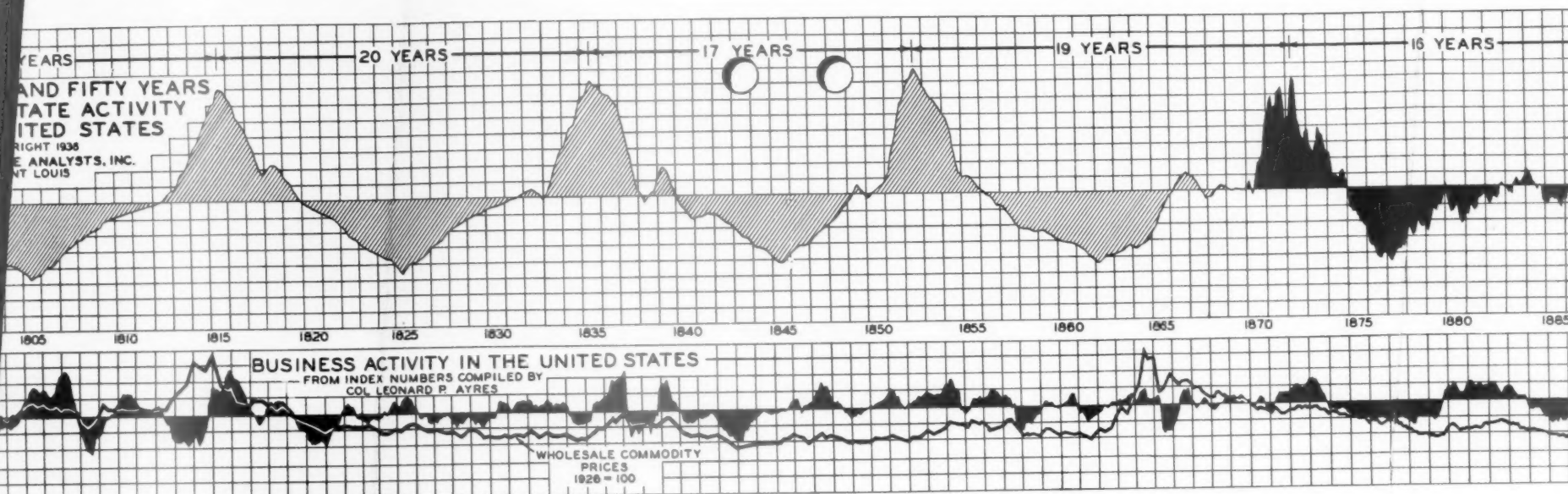


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Rising rents
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DECEMBER
1936



IS A REPRODUCTION OF THE CENTER SPREAD OF THE DECEMBER
ED AND FIFTY YEARS OF THE UNITED STATES
LIVESTATE ANALYST
ATE represents an effort to trace real estate booms
and during the entire history of the United States in
a general business activity over the same period as
Leonard of the Cleveland Trust Company. with
to the same scale.

WHAT HAS ACTUALLY HAPPENED AND WITH WHAT NOW SE
PROBABLE FOR THE FUTURE. NOTE THAT THE FORECAST W
EXPLOSIVE RISE ABOUT THE MIDDLE OF 1941 AND THAT UNT
E UPS AND DOWNS PREDOMINATED. THIS ANALYST WAS PRINTED
OPE WAS AT PEACE AND BEFORE THE "PLANNED ECONOMY DE
N" OF 1937 - 1938.

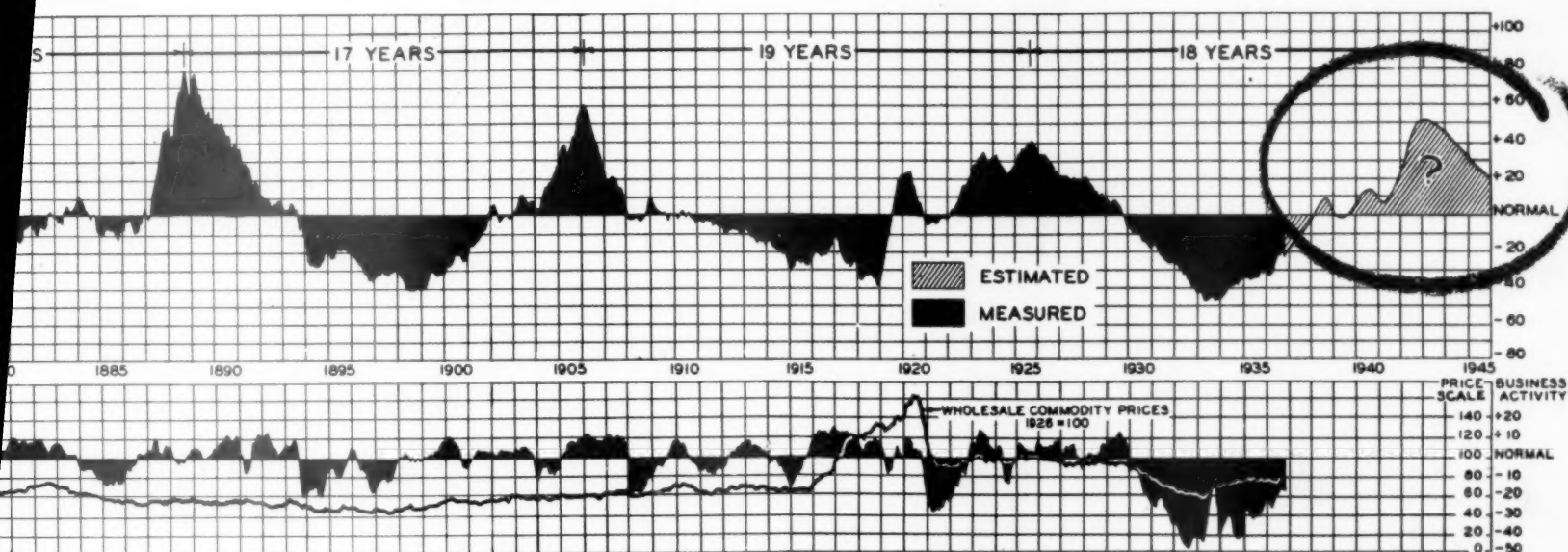
period from 1795 to 1870 was drawn in the following fashion.
pers, magazines, and books we have found frequent references
booms and depressions in the past. We find, for instance,
frequent references were made to land speculation as an in-
the boom which was then under way. This boom seems to have
ee or four years later, and until 1815 we find no further
real estate boom conditions. However, in that year again we
s to heavy speculation in land. This period seems to have
longer time in the South than it did in the North, but by
te values were shrinking quite rapidly. We find no further
ons to boom conditions in real estate until 1835, when anothe
active land speculation began. The panic of 1837 caused specu-
op very rapidly, with a slight revival in 1839. The next

big real estate boom in the United States was in 1
of 1857. We find no further references until
on the black portion of the chart.

During these episodes are offered for
chart. Our outlining of these booms and depression
based on the general statements of conditions
They are not measured in any way. We do not even
were typical in scope, but we are positive that rea
at substantially the same time. We can find
any other booms during this interval.

Real Estate Analysts, Inc. hopes to
past measures over the entire period of
be many years before our work can be
painstakingly trace real estate activity month by
cities. We can offer no assurance, however, that
and will ever precisely resemble the shapes
from the only data available. We are positive
are approximately located, and this is the price
at the present time. Our frequently stated con
treme length of the real estate cycle and its reg
the intervals between booms during the entire
period from peak to peak has never exceeded tw
been less than sixteen years. The average perio
from 1795 to the top of the last boom has been 18

All of the measurable factors we are
lead us to believe that the next boom will arrive
In the book by Roy Wenzlick of our organization
in Real Estate, published this last May, on pa



was in 1892, culminating in the
ences until the early seventies,
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EMBER, 1936
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be completed, as we must first
month by month in the principal
this work is completed, the
position we are now estimated
positive, however, that the peaks
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its regularity are confirmed by
entire span of this study. The
ed twenty years and has never
ge period over the entire stretch
been 18.3 years.

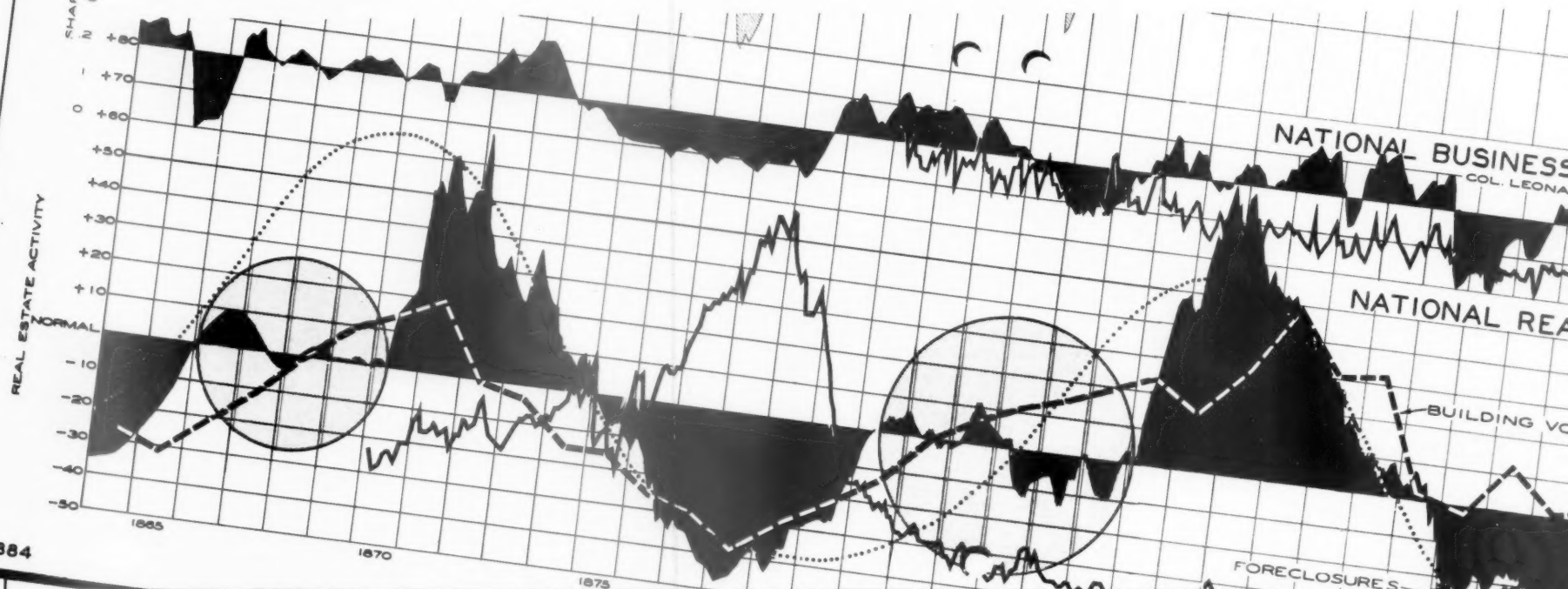
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l arrive pretty much on schedule.
nization, called The Coming Boom
on pages 9 and 10 he said that

he did not expect the boom to reach its height until the early forties,
probably not until 1943 or 1944. This still looks reasonable, and we
have indicated on our chart in a rough fashion how we think this boom
might develop. We are positive, however, of just one thing in regard
to this future portion of the chart--the actual charting will be dif-
ferent from the charting we have suggested.

It is hard to tell at the present time whether or not we have
been too conservative in placing the real boom as late as we showed
here. It is conceivable that it might occur several years earlier. We
would not be surprised, however, if the recovery of real estate did not
show a somewhat similar reaction to that preceding the real estate boom
of the nineties or the real estate boom starting in 1904. It will be
noticed in both these cases that real estate activity hovered around
the normal line before it shot into the irrational boom. A somewhat
similar thing happened in 1919 and 1920 following the Armistice, before
we went into the tremendous period from 1922 to 1929.

The placing of the boom as late as we have it here should
not be interpreted as indicating that real estate will not show con-
siderable recovery during 1937. It will be noticed that by the end of
1937 we have shown real estate activity back at the level of 1929.
Possibly it might be well to repeat at this place our definition of a
real estate boom. A real estate boom is a period in which the general
public is willing to pay more for real estate than its real economic
value. In that period the average man will be too optimistic about the
future of real estate values just as he is too pessimistic today. It
would be better for real estate if this boom never arrived, if real
estate activity could proceed indefinitely along the normal line with-
out the frantic swings from feverish activity to periods of total in-
action.

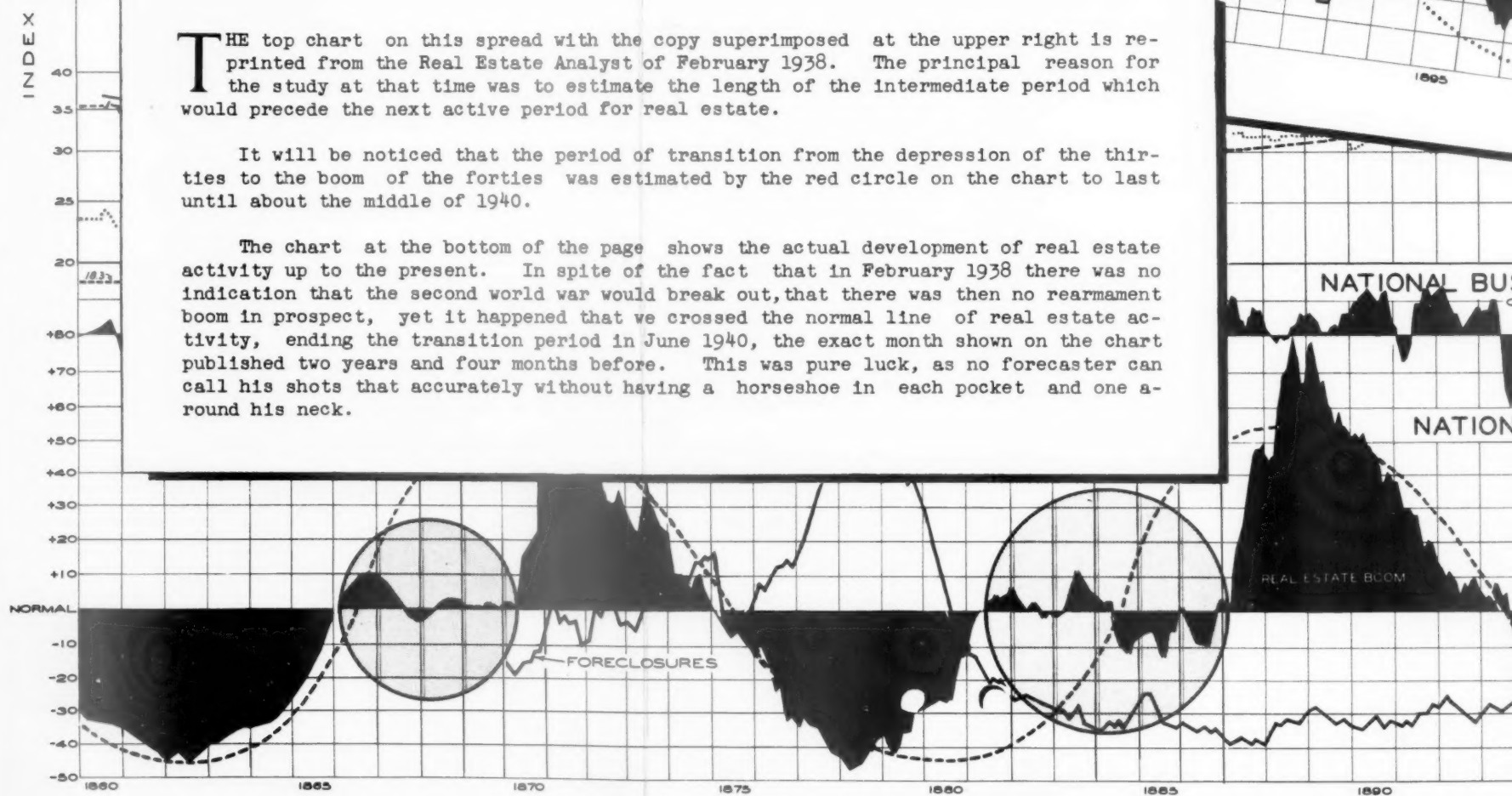
THE LENGTH OF THE TRANSITION PERIOD BETWEEN THE



THE top chart on this spread with the copy superimposed at the upper right is reprinted from the Real Estate Analyst of February 1938. The principal reason for the study at that time was to estimate the length of the intermediate period which would precede the next active period for real estate.

It will be noticed that the period of transition from the depression of the thirties to the boom of the forties was estimated by the red circle on the chart to last until about the middle of 1940.

The chart at the bottom of the page shows the actual development of real estate activity up to the present. In spite of the fact that in February 1938 there was no indication that the second world war would break out, that there was then no rearmament boom in prospect, yet it happened that we crossed the normal line of real estate activity, ending the transition period in June 1940, the exact month shown on the chart published two years and four months before. This was pure luck, as no forecaster can call his shots that accurately without having a horseshoe in each pocket and one around his neck.



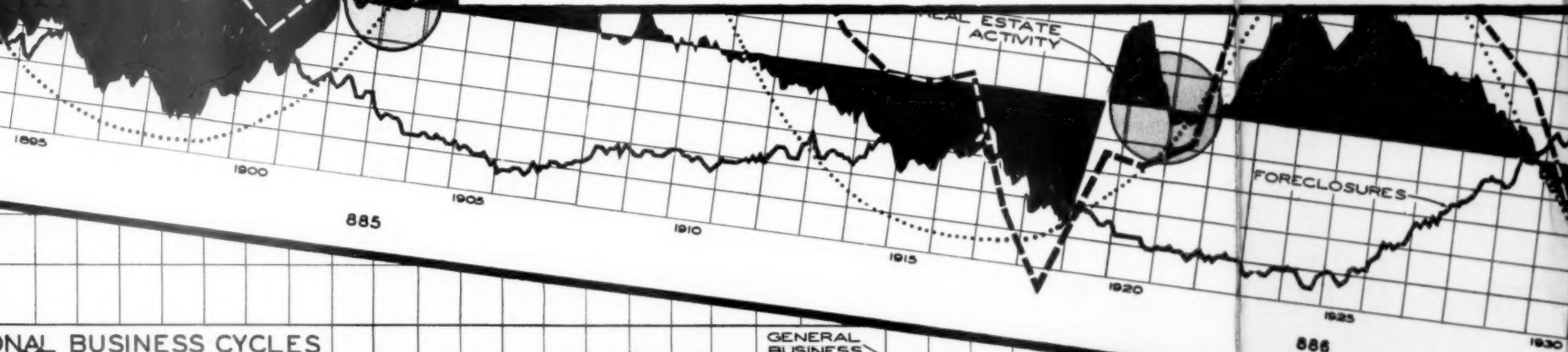
IN THE DEPRESSION AND THE BOOM

BUSINESS CYCLES

COL. LEONARD P. AYRES

NATIONAL REAL ESTATE CYCLES

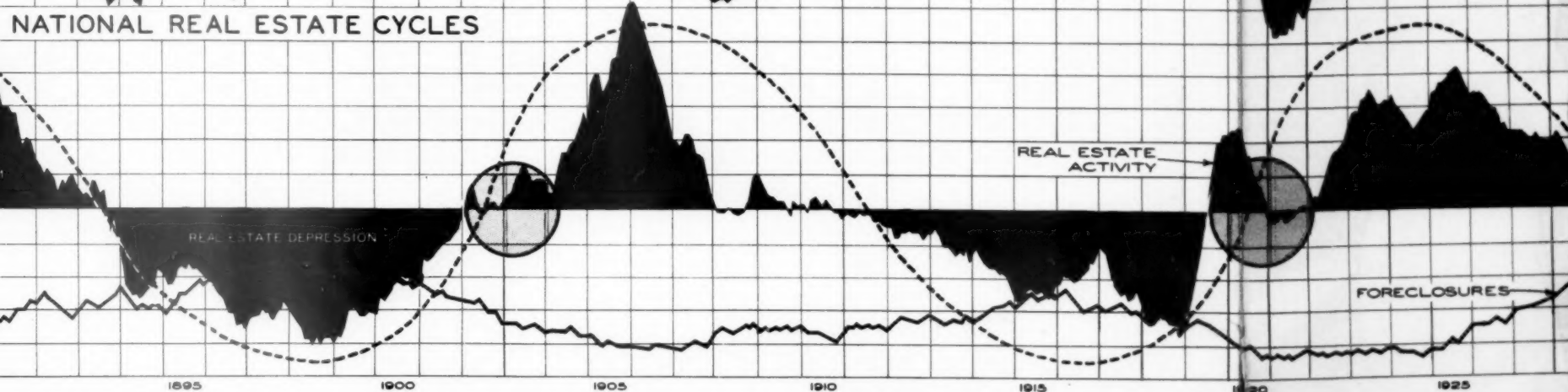
BUILDING VOLUME PER CAPITA



NATIONAL BUSINESS CYCLES

COL. LEONARD P. AYRES

NATIONAL REAL ESTATE CYCLES



It will be noticed that in the recovery from a major real estate depression to the following real estate boom we have always gone through an intermediate period in which real estate activity fluctuated around the normal line for a longer or shorter period. These intermediate periods which preceded real estate booms are indicated on our chart by the red circles. Had we gone directly from a real estate depression into a real estate boom, it would have been the first time that this had occurred. The reaction we are now going through seems to be more or less typical.

The important question is how long this intermediate period will last before the real boom commences. In "The Coming Boom in Real Estate", published in May of 1936, we said that we thought we would be at the top of the boom about 1943 or 1944. It does not seem to us probable that we could hit the top of this next boom before that period, and a careful study of the long chart in this report might even indicate that there is a strong probability that the boom will not reach its crest that early. There is no way of telling at this time how large the red circle for the present period should be, but we have drawn it in the fashion which we believe is the most probable. If we are correct in this estimate, the real

boom would not get serious to turn back to the December we charted our opinion areas from 1935 through showed our estimate of the this we do not mean, of coably in value in the perithe boom of which we are the irrational booms of the booms, however, is that, irrational.

One reason for ate period before the re for the last two intermed depression of the seventi previous one on record v might indicate that it t much property is being he

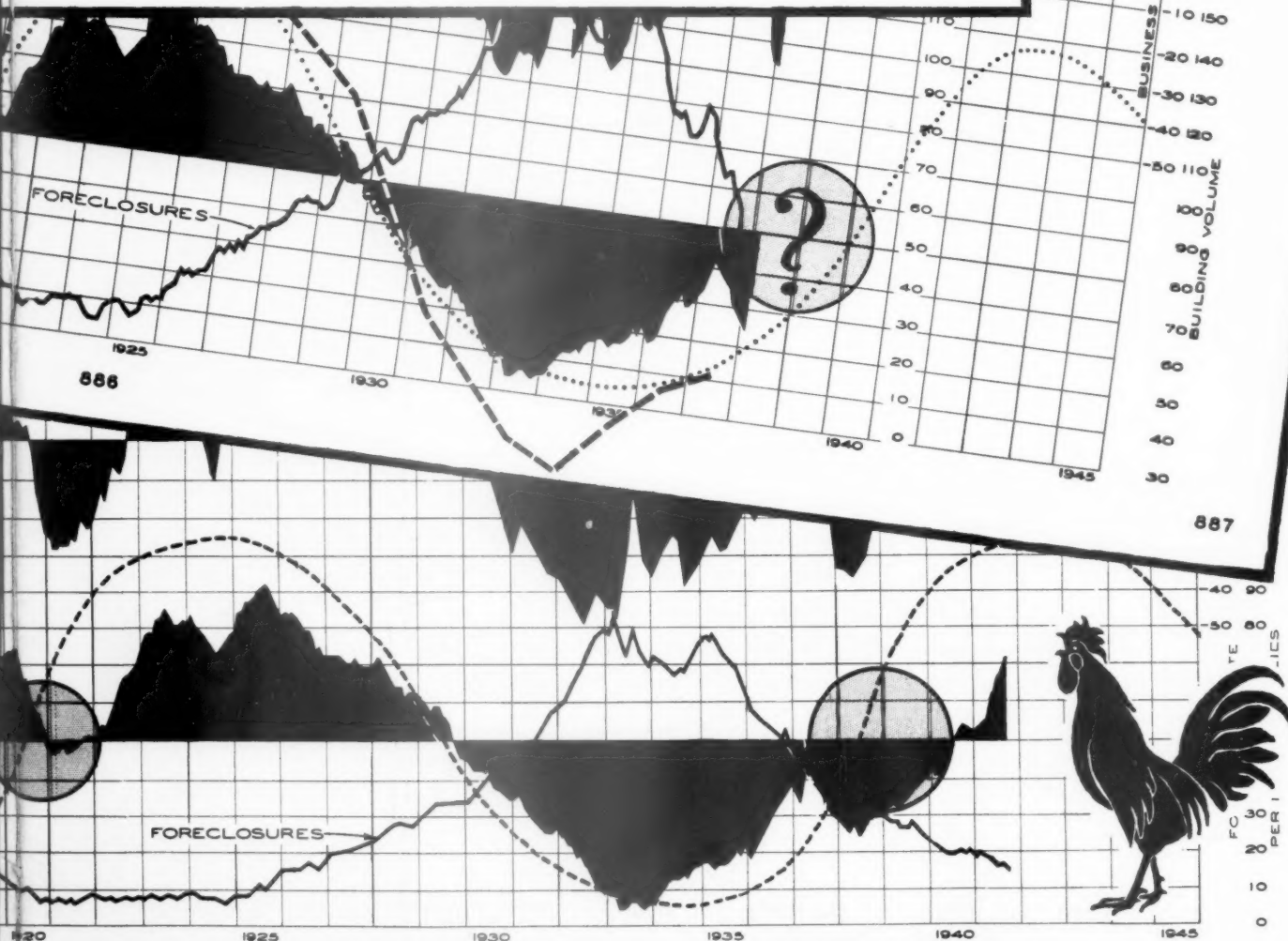
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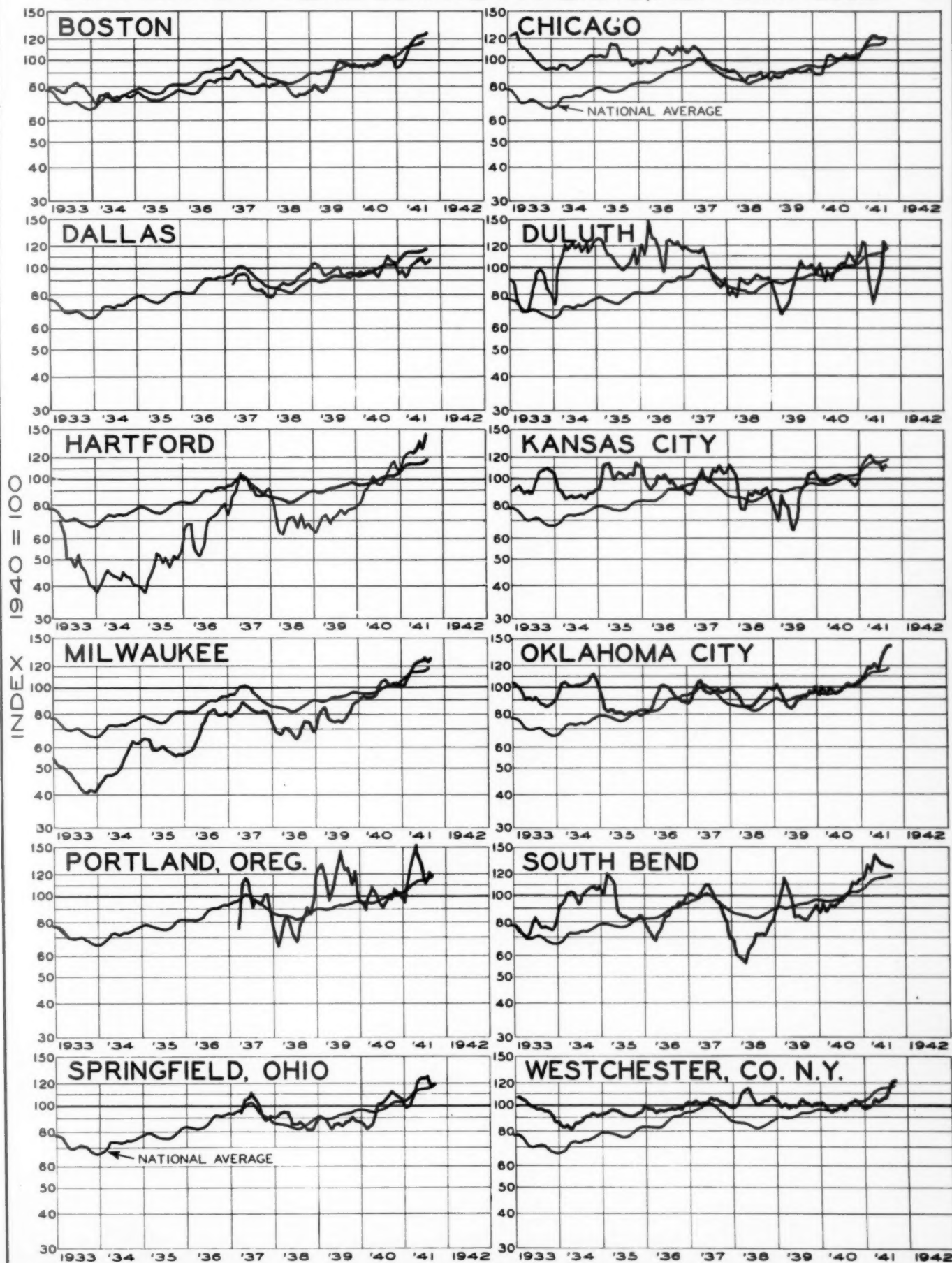
boom would not get seriously underway until 1941. It might be interesting to turn back to the December, 1936, Real Estate Analyst, on page 652 where we charted our opinion of the development of the real estate activity areas from 1935 through 1945. It will be noticed that at that date we showed our estimate of the real boom commencing in the spring of 1941. By this we do not mean, of course, that real estate will not improve considerably in value in the period immediately ahead. We think that it will, but the boom of which we are speaking will be an irrational boom similar to the irrational booms of the past. The curious thing regarding all of these booms, however, is that, at the time they occur, people never believe them irrational.

One reason for believing that the circle covering the intermediate period before the real boom develops will be larger than the circles for the last two intermediate periods is that the period following the big depression of the seventies was quite long. This period was the only other previous one on record when foreclosures rose to similar heights. This might indicate that it takes much longer to liquidate the situation when much property is being held by unwilling owners.

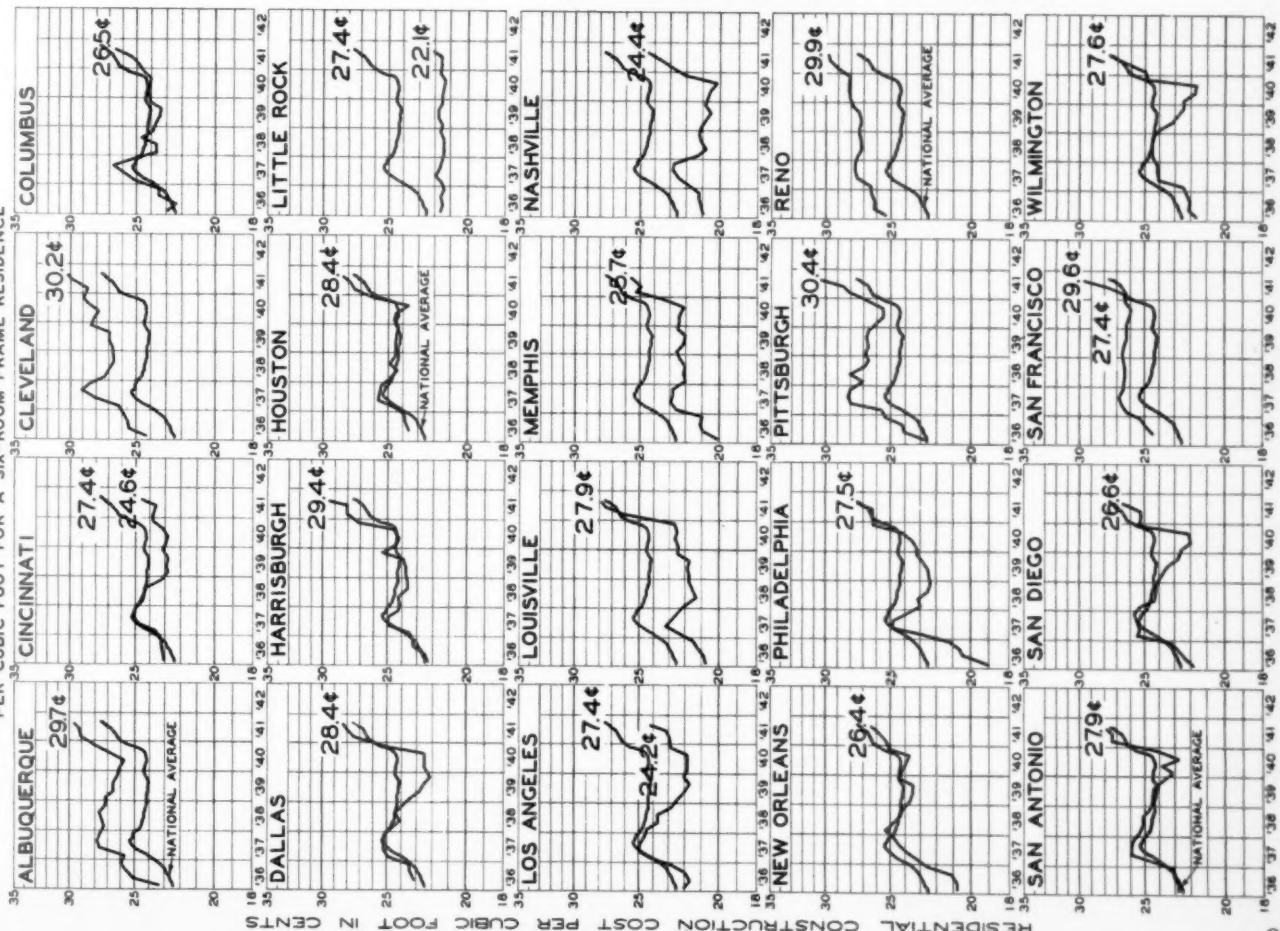


REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

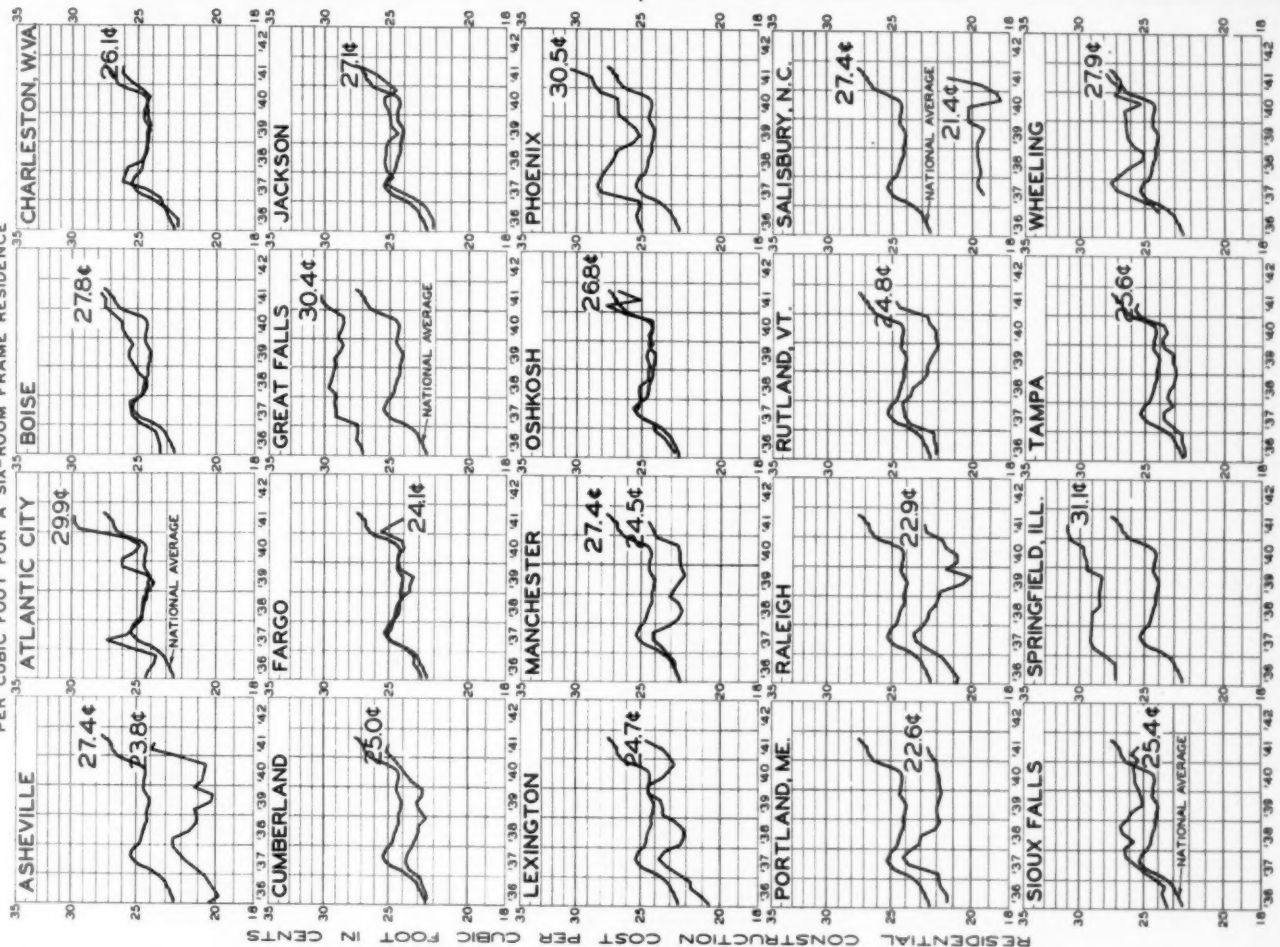
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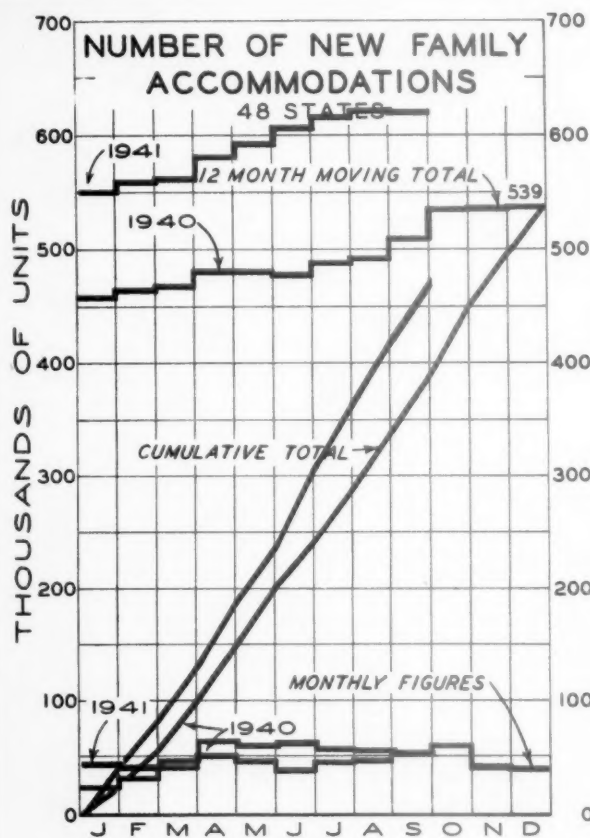


RESIDENTIAL CONSTRUCTION COSTS PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE



RESIDENTIAL CONSTRUCTION COSTS PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE



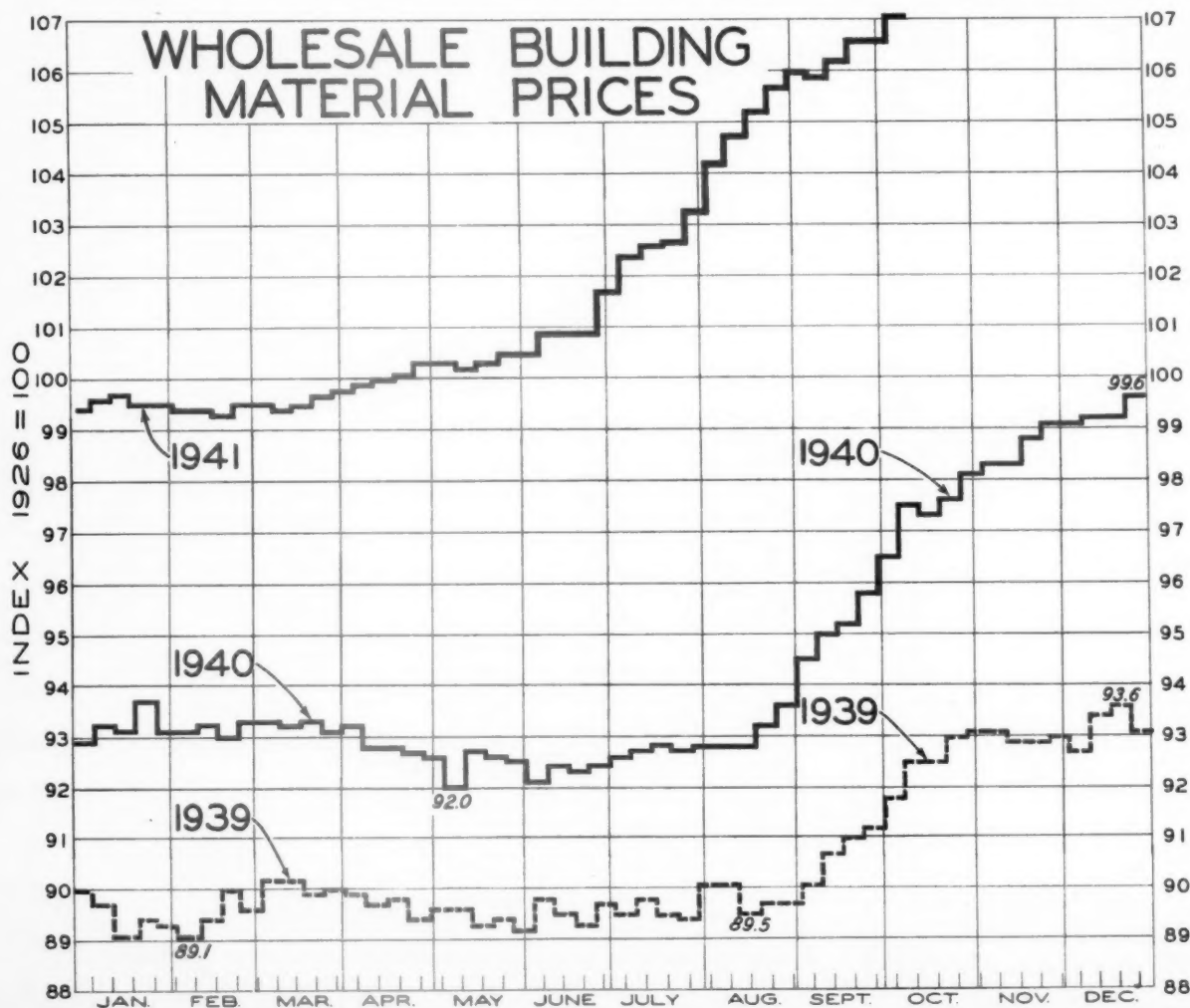


DWELLING UNITS CONSTRUCTED IN 48 STATES
(in thousands of units)

	Monthly			Cumulative			12 Month Moving Total		
	1939	1940	1941	1939	1940	1941	1939	1940	1941
January	30.1	25.7	40.4	30.1	25.7	40.4	345	461	553
February	29.2	33.7	40.2	59.3	59.4	80.6	359	465	560
March	39.4	42.0	45.9	98.7	101.4	126.5	375	468	564
April	36.6	51.1	63.6	135.3	152.5	190.1	386	482	576
May	49.6	49.1	57.9	184.9	201.6	248.0	409	482	585
June	40.6	38.8	61.5	225.5	240.4	309.5	422	480	608
July	38.1	48.9	57.0	263.6	289.3	366.5	423	491	616
August	46.2	49.4	54.8	309.8	338.7	421.3	435	494	621
September	35.7	53.0	52.1	345.5	391.7	473.4	435	511	620
October	36.1	62.4		381.6	454.1		439	537	
November	42.5	42.7		424.1	496.8		450	538	
December	40.9	41.9		465.0	538.7		465	539	

THE number of new family accommodations built in all non-farm communities of the 48 states and the District of Columbia is shown in the table above and on the chart to the left. Cumulative totals and twelve month moving totals for 1940 (black) and 1941 (red) are given.

Shown on the chart below, wholesale building material prices—charted by weeks—as compiled by the Bureau of Labor Statistics, continue to rise very rapidly.





OCTOBER 29
1941

EXECUTIVE DIGEST

OF THE CURRENT REAL ESTATE ANALYST REPORTS

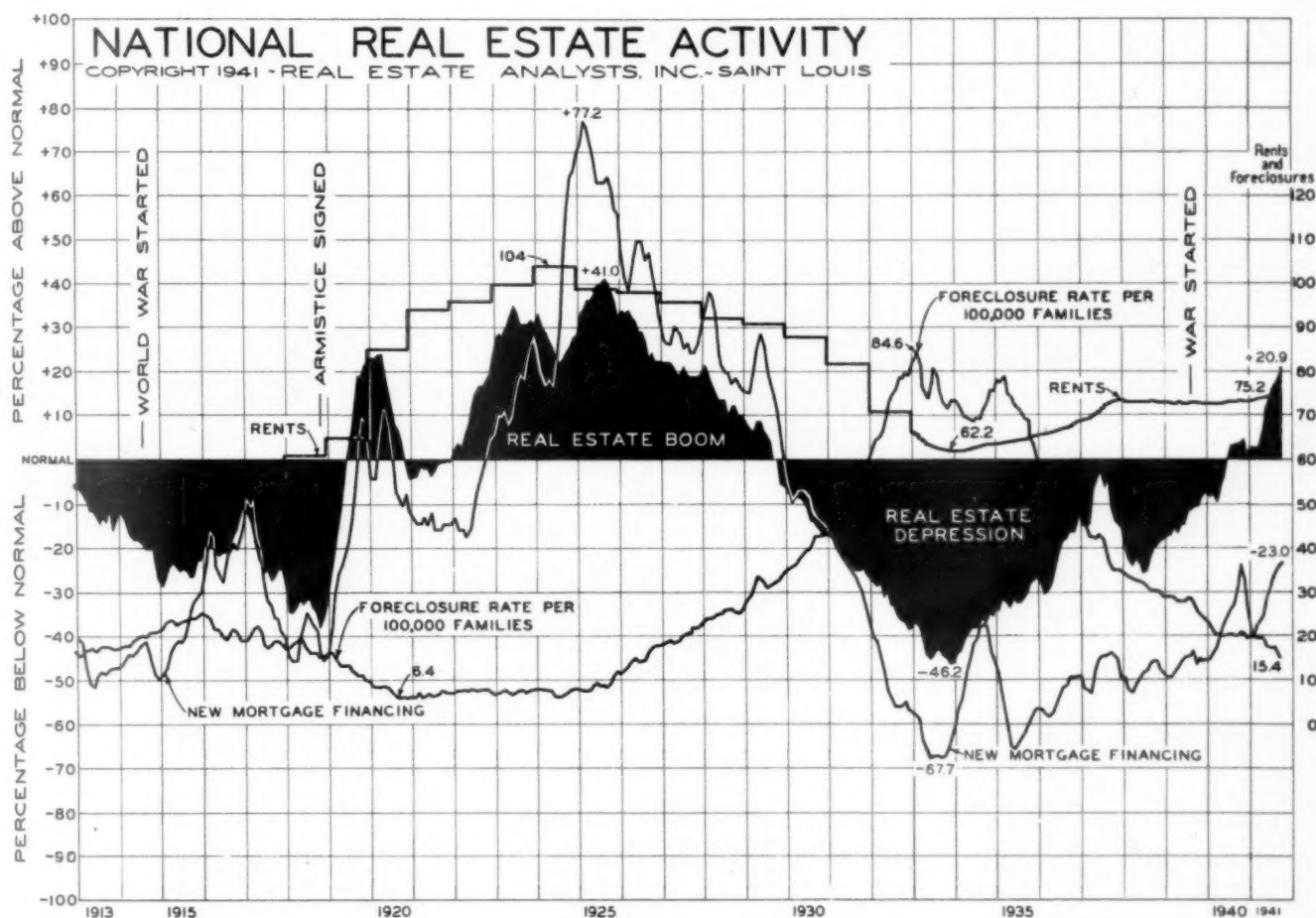
REAL ESTATE ANALYSTS, INC.

Real Estate Economists, Appraisers and Counselors

Roy Wenzlick
Editor

VOLUME X

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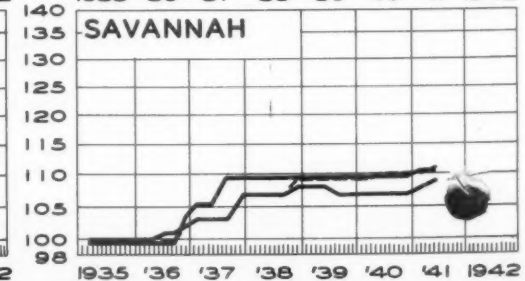
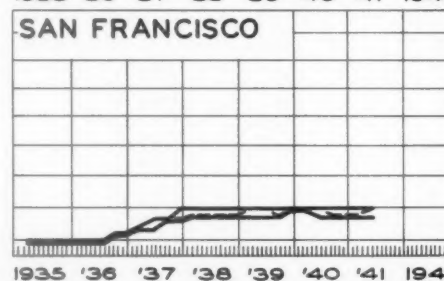
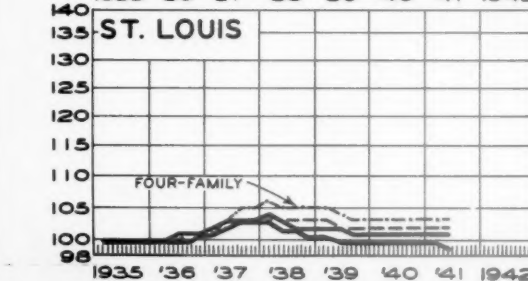
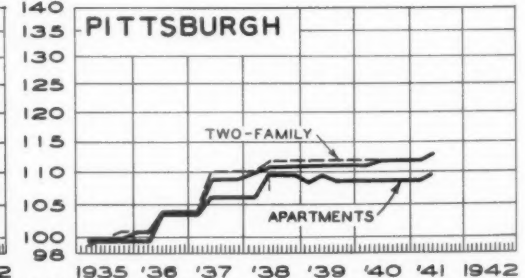
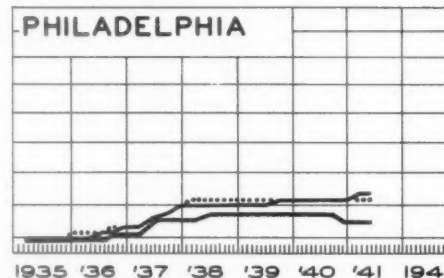
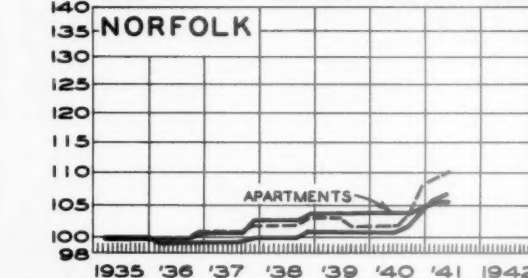
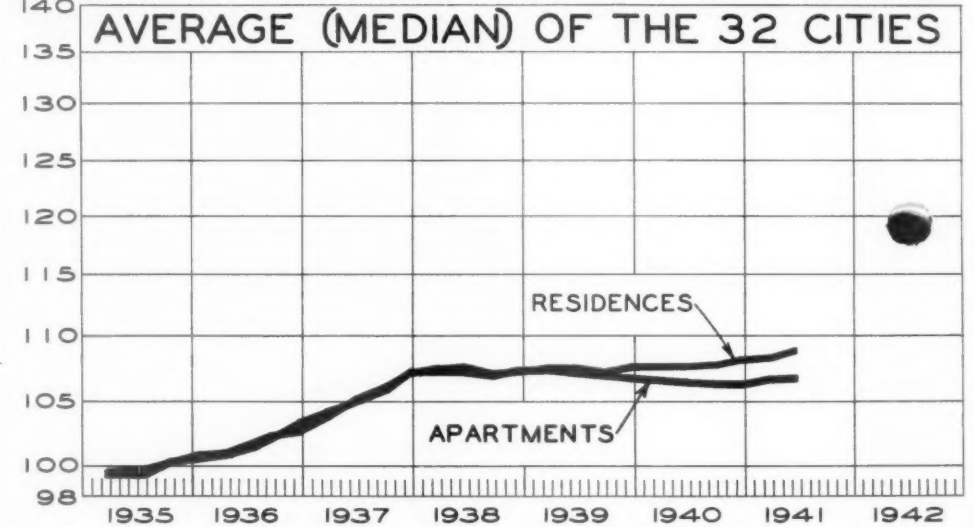
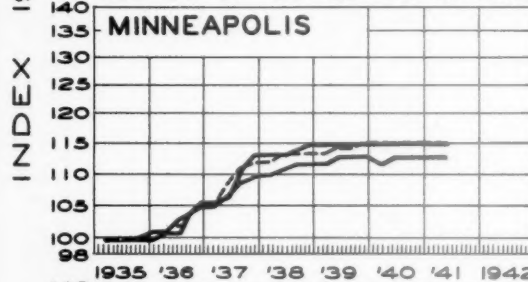
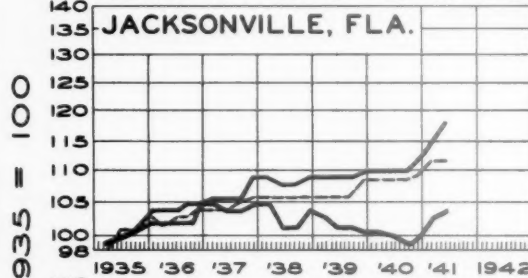
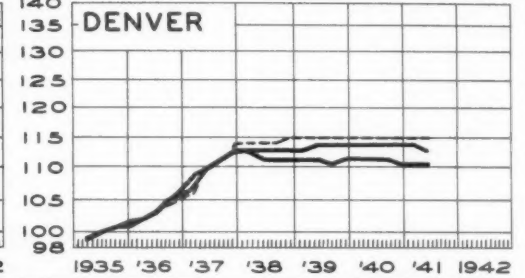
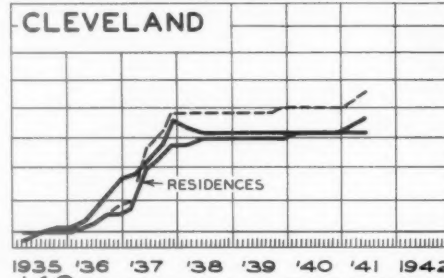
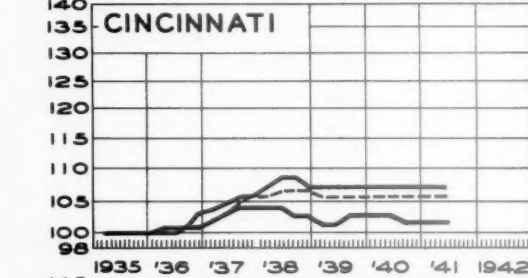
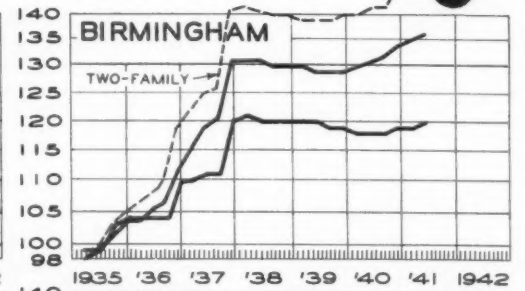
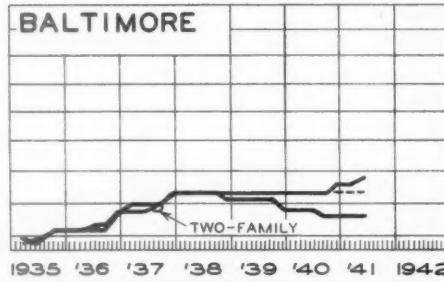
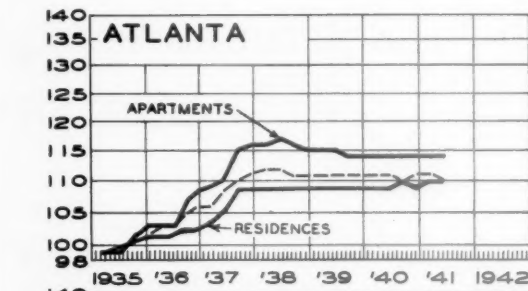
REAL estate sales have been increasing more consistently than any other real estate barometer we prepare. This is driving the black area a little higher above the normal line on the chart each month. It has gone from more than forty-six per cent below in 1933 to almost twenty-one per cent above at the present time. It will be noticed that the development this year looks very similar to the rise in 1922 except that the rise this time has been a little more rapid.

The foreclosure rate at 15.4 per month per hundred thousand families sets a new low since 1926, when the rate first started up. During the next few years the rate will drop still further but, of course, it is now so low that it cannot show much change.

Residential rents have been rising on our national index by about one tenth of a point per month. The rate of rise will increase during the next

RESIDENTIAL RENTS OF OCCUPIED DW

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AD DWELLINGS

BASED ON FIGURES COMPILED BY
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